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C O N F I D E N T I A L SECTION 01 OF 03 MAPUTO 000626

SIPDIS

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TAGS: [PREL](#) [PGOV](#) [EFIN](#) [EINV](#) [EAID](#) [ASEC](#) [MZ](#)  
SUBJECT: FOREIGN MINISTER ON LABOR ISSUES AND OTHER  
BILATERAL IRRITANTS

REF: A. STATE 49056  
[B](#). MAPUTO 610  
[C](#). MAPUTO 493  
[D](#). MAPUTO 381

Classified By: Charge d'Affaires Todd Chapman for reasons 1.4 (b and d)

[1](#)1. (C) SUMMARY: Long-standing problems associated with obtaining work authorizations for USG-supported health programs received prominent press attention in recent weeks, prompting unhelpful rhetoric from the Labor Minister. While traveling with President Armando Guebueza on his "Open Presidency" tour through northern Mozambique, the Charge met with Presidential advisors who directed Foreign Minister Oldemiro Baloi to meet with the Charge on May 22. Baloi committed to resolving a laundry list of pending bilateral issues, including the work authorization issue, the funds removed improperly from a USG local account (Ref A), and Embassy security. The Charge also raised the importance of responding in a timely manner to AFRICOM's offer to Mozambique to host the Exercise Shared Accord. At the end of the meeting, Baloi confided one-on-one that the Labor Minister "was crazy and creating problems for the entire Government" and that the President and Prime Minister were working to rein her in. END SUMMARY.

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LABOR MINISTER CRITICIZES U.S. IN THE PRESS  
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[1](#)2. (C) Long-standing problems associated with obtaining work authorizations for USG-supported health programs received prominent press attention in recent weeks, prompting unhelpful rhetoric and accusations from Labor Minister Helena Taipo. The Labor Minister held a press conference accusing the U.S. Embassy of not following proper procedures while defending her ministry's slow response in authorizing work permits for needed health workers. While traveling with President Armando Guebueza on his "Open Presidency" tour through northern Mozambique May 19-21, the Charge met with Presidential Advisor Arlete Matola, and bluntly laid out USG concerns about the ham-handed GRM response, as well as the GRM's problematic handling of a broad range of other bilateral issues, including the recent inappropriate seizure of about USD 74,000 from a USG bank account in Mozambique. Matola advised the Charge the next day that Foreign Minister Oldemiro Baloi had been directed the President and Prime Minister to meet with the Charge on May 22 to address these problems.

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GENERAL LACK OF RESPONSIVENESS  
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[1](#)3. (C) Meeting with Baloi on Friday May 22, the Charge noted concern about the Minister of Labor's allegations and the

disruptions her actions were causing in U.S. assistance programs. The Charge also expressed regret about the lack of responsiveness of the Foreign Ministry to a broad range of bilateral issues, many of them administrative in nature, which had been chronicled and reviewed with Vice Foreign Minister Henrique Banze without much progress. Baloi responded that following the Charge's complaint to the Presidential advisor, he reviewed the list of pending concerns with the U.S. and was "embarrassed and ashamed that so few had been resolved." He indicated that the list of pending concerns was "unacceptable" and that he would take personal responsibility for monitoring and minimizing the outstanding issues. (Note: Foreign Missions in Mozambique frequently complain about the Foreign Ministry's lack of competence and its inability to respond to simple diplomatic notes and demarches. The Foreign Ministry as an institution is not highly regarded by other ministries, making it difficult for the Foreign Ministry to coordinate a GRM response, whether on a policy or administrative issue. End Note.)

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RETURNING \$74,000 IN U.S. FUNDS  
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¶4. (C) Charge delivered Ref A talking points on the illegal seizure of approximately USD 74,000 from a USG bank account in Mozambique by a Mozambican court, indicating that the action was a breach of the Vienna Convention. He underscored the need for an immediate solution, and Baloi agreed, stating that he would use all means necessary to work with the Ministry of Justice to return the funds to the USG. (Note:

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The MFA and Ministry of Justice have since advised the Embassy in writing that the funds have been frozen and are in the process of being sent back to our local bank account. The Minister of the Presidency Antonio Sumbana also phoned the Charge to inform that the court had already been directed to return the funds. End Note)

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EMBASSY SECURITY CONCERNS  
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¶5. (C) The Charge indicated that the Embassy had demarched multiple Ministries at all levels over the past three years about the need to improve the security posture of the Chancery compound by closing off a thoroughfare that bisects the compound allowing pedestrian access. Baloi agreed, and said that the GRM hoped to have secured permission for the permanent closure of the road within a matter of days. (Note: The Embassy since received assurance that the City of Maputo had been instructed to grant permission to close off the street immediately and to proceed with necessary security upgrades at the Chancery. End Note)

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LABOR LAWS AND VISAS  
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¶6. (C) Alluding to recent unfortunate statements by the Labor Minister, the Charge expressed concern about the mischaracterizations of U.S. positions being made by his Government. The Charge highlighted that the recently-introduced quota system for foreign workers was indeed causing serious problems for American investors, for U.S. NGO's implementing USG-sponsored programs, and for the American school. Baloi responded that the GRM too was uncomfortable with the situation caused by the Labor Minister's actions and, like the Charge, had deliberately maintained a low public profile on the issue. Baloi reported that the Prime Minister had been tasked by the President to restrain the Labor Minister's attacks and to attend to USG concerns. Baloi confirmed that the GRM is working hard to resolve the issue of foreign workers and assured the Charge

that the challenges for USG implementing partners would soon be overcome. The Charge urged Baloi to review the existing Bilateral Investment Treaty as a means to resolve the pending problems with work authorizations. The Minister of Health subsequently held a press conference emphasizing the good relations between the U.S. and Mozambique as well as the importance of USG-sponsored health programs; the previously-vocal Labor Minister Taipo has been silenced.

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MFA PRESSED ON SHARED ACCORD  
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17. (C) The Charge also requested a timely response from the GRM on AFRICOM's proposed military-to-military training engagement, Shared Accord. Baloi responded that the Ministry of Defense (MOND) was seeking final approval from the President. In a follow-up conversation, poloff learned that the MFA is pressing the MOND to finalize their response to AFRICOM. The Foreign Minister subsequently called the Charge requesting until June 5 to provide a formal response.

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AN ASIDE ABOUT THE LABOR MINISTER  
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18. (C) At the conclusion of their recent meeting, the Charge requested some one-on-one time with Baloi. Without Foreign Ministry officials present, Baloi told the Charge how his Government was furious with Labor Minister Taipo for generating tension in the bilateral relationship over this issue. He recounted that, prior to becoming Foreign Minister, when he worked in the banking sector, Taipo regularly sent inspectors to his offices and levied fines against his bank for no reason, and then refused to meet with him to discuss his concerns. When he was appointed Foreign Minister, he said, the Labor Minister tried to smooth over their past difficulties. "But she is a snake, who is charming to your face but who will stick the knife in your back," he said, continuing that "she is crazy and creating problems for the entire Government." He assured the Charge that Taipo did not represent the GRM's views and that they would do their best "to put the muzzle on her."

19. (C) Comment: The press brouhaha regarding work authorizations and the labor law has been unfortunate and

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uncomfortable at times, but it has served USG interests well by elevating the problems associated with the new labor law and prompting action on other issues of USG interest. Not coincidentally, the Labor Ministry finally approved work permits for 11 USG-sponsored expatriate workers which had been pending for 15 months. We will continue to pursue resolution of these labor issues, along with a range of other bilateral irritants, many administrative in nature (diplomatic license plates, work agreements for spouses, diplomatic post office, etc.), that have dragged on far too long.

Chapman